REMARKS

The Office Action dated November 2, 2006, has been received and carefully considered. By this Amendment, claims 1-6, 9-17, 20-26 are pending, claims 3, 6, 17 and 24 are amended, and claims 25 and 26 are added. No new matter has been entered by this Amendment. Support for the added claims may be found on page 11 and 12, for example. Claims 25 and 26 are added to recite further novel features of the invention.

Reconsideration of the outstanding rejections in the present application is respectfully requested based on the following remarks.

I. THE INDICATION OF ALLOWABLE SUBJECT MATTER

In the Office Action, claim 21 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Applicant appreciates the indication of allowable subject matter in the Office Action. In view of the arguments set forth below regarding claim 1, from which claim 21 depends, such claim 21 has not at this time been placed into independent form.

II. THE INDEFINITENESS REJECTION OF CLAIMS 6 AND 17

On page 2 of the Office Action, claims 6 and 17 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter due to a lack of antecedent bases.

Applicant respectfully submits that the amendments to the claims have overcome this rejection.

In view of the foregoing, it is respectfully requested that the aforementioned indefiniteness rejection of claims 6 and 17 be withdrawn.

III. THE 35 U.S.C. §102 REJECTION BASED ON BARTON

In the Office Action, claims 1-6, 9-17, 20, and 22 are rejected under 35 U.S.C. 102(e) as being anticipated by Barton et al. (U.S. 2002/0059093), hereinafter "Barton." This rejection is respectfully traversed.

In paragraph 7, the Office Action sets forth the basis of the rejection as to claim 1. The Office Action asserts that

> "As per claim 1, Barton reaches a method for use in compliance management, comprising: presenting, via a computer network, at least one user with a series of questions relating to at least one business category (See figure 11, paragraphs 0010, 0012-4, 0049, 0051, wherein questions are presented via the network concerning compliance risk); soliciting, via the computer network, a response from the at least one user for each question presented (See paragraphs 0010,0012-4,0049,0051,0060, wherein the questions are answered); determining a detection index based on the number of responses to each of the series of questions (See paragraphs 0081 and 0084, wherein detection is determined); determining an occurrence index based on the potential consequence of non-compliance (See paragraphs 0007, 0081, and 0084, wherein occurrence index is determined); determining a standard severity risk index based on the expected severity of noncompliance (See paragraphs 0068, 0072-3, 0075, 0081, 0084, wherein severity indexes are considered); and prioritizing, via the computer network, the at least one business category based on the at least one user's responses and at least one total risk score comprising the product of the detection, occurrence, and standard severity risk indices (See paragraphs 0081, 0084-7, wherein a risk score is calculated based on these factors. See also paragraphs 0068-9, 0072, 0081,0090-1, where risk prioritization numbers are generated to determine the order to handle the risk areas of the business)".

Applicant respectfully submits that Barton fails to teach each and every feature of claim 1. As set forth in the listing of claims above, claim 1 is directed to a method for use in compliance management. Features of the claimed method are set forth in the listing of claims.. In particular, claim 1 recites the feature of "determining an occurrence index *based on the potential consequence of non-compliance*" (emphasis added). As such, the occurrence index of claim 1 factors in the potential consequence of non-compliance occurring. Applicant submits that Barton fails to teach such specifics.

As noted above, the Office Action asserts that Barton teaches determining an occurrence index based on the potential consequence of non-compliance (See paragraphs 0007, 0081, and 0084, wherein occurrence index is determined). Applicant respectfully disagrees.

Paragraph 0084 of Barton teaches:

> [0084] Severity rating, occurrence and detection factors previously assigned 212 (shown in FIG. 14), also are part of FMEA matrix 230. In one embodiment, the severity-rating for the QFD matrix during prioritization of the risk is entered into a severity rating column 246 in FMEA matrix 230. Then, the values for occurrence and detection are calculated using any standard rating system. In one embodiment, the standard rating system includes values from one to ten. *An occurrence factor measures the likelihood of occurrence of non-compliance. The likelihood of occurrence measures the frequency of non-compliance in the process with a value of one indicating a remote likelihood up to a value of ten representing that failure is assured.* The ability to detect (detection) uses a similar numerical scheme with a value of one meaning that if there is noncompliance, the potential failure will be found or prevented to a value of ten representing absolute certainty that current controls will not detect potential failures or there are no controls in

> place. The severity rating, occurrence and detection factors are then entered into the FMEA matrix 230 under a severity column 246, an occurrence column 248, and a detection factor column 250 respectively. (Emphasis added)

In particular, Applicant notes that Barton teaches that "an occurrence factor measures the likelihood of occurrence of non-compliance." Barton further states "the likelihood of occurrence measures the frequency of non-compliance in the process." Thus, the occurrence factor of Barton is concerned with *whether* a non-compliance is likely to occur and not the *potential consequence of when* a non-compliance occurs. Such teachings of Barton, as well as the other disclosure of Barton, fail to teach the specifics of claim 1 as set forth above. In particular, Barton fails to teach the feature of "determining an occurrence index based on the *potential consequence* of non-compliance" (emphasis added).

Additionally, in paragraph 10 of the Office Action (the "Response to Arguments"), with regards to claim 1, the Office Action concludes "therefore, the recitation of 'potential consequences of noncompliance' **requires** that the determined index is founded on or considers the fact that consequences of non-compliance occur, but does not impart the requirement of a specific type of determination to occur" (emphasis added).

Applicant respectfully submits such assertions are unsupportable. The "determining an occurrence index" clause of claim 1 clearly imparts a particular type of determination. Thus, the assertion in the Office Action, that a particular type of determination is not conveyed by the claim language, is simply not supportable.

Further, such assertion in the Office Action appears to reflect that the "determining an occurrence index" clause of claim 1 only requires that consequences of non-compliance occur,

which is of course generally the case. Such a read on claim 1 leaves portions of the claim language meaningless, which is of course inappropriate. That is, claim 1 recites basing the occurrence index on the potential consequence of non-compliance, i.e., there is manipulation based on the potential consequence of non-compliance. Claim 1 does not merely recite that the occurrence index is based on whether or not consequences occur (such interpretation being reflective of the assertions in the Office Action).

In other words, Applicant submits that claim 1 sets forth a particular parameter, the "potential consequences of non-compliance." Claim 1 then uses such parameter in the determination of an occurrence index. Barton simply does not teach such features and thus fails to support the rejection under 35 U.S.C. 102.

For at least the reasons set forth above, Applicant submits that claim 1 defines patentable subject matter. Further, claims 10 and 25 define patentable subject matter at least for reasons similar to claim 1.

Applicant submits that the dependent claims recite patentable subject matter at least for their various dependencies on claims 1 and 10, as well as for the additional subject matter recited in such dependent claims. Claim 25 is added to recite further novel features of the invention.

The applied art to Barton fails to teach or suggest such claimed features. Withdrawal of the 35 U.S.C. §102 rejection is respectfully requested.

IV. THE 35 U.S.C. §103 REJECTION BASED ON BARTON

In the Office Action, claims 23 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barton. This rejection is respectfully traversed.

As stated in MPEP § 2143, to establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. In re Vaeck, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

With reference to claims 23 and 24, the Office Action alleges that Barton teaches various features, as is set out in the Office Action. However, the Office Action reflects that Barton does not expressly disclose that the occurrence index is based on the total number of agents or employees affected by non-compliance or the total number of policies in force.

In an attempt to address such deficiency, the Office Action sets out that Barton discloses an occurrence value that is indicated in the system and represents the likelihood of occurrence and the frequency of non-compliance. The Office Action then asserts it is old and well known in the art that employees and the number of policies are factors that cause occurrences of non-compliance. The Office Action then concludes therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to consider employees affected by non-compliance and the total number of policies in force in the occurrence index of Barton in order to more efficiently determine the potential for failure concerning the business by taking into account the areas in which non-compliance events may occur. Applicant respectfully disagrees. As detailed above and asserted by Examiner, Barton is **concerned** with the likelihood of

occurrence. (emphasis added). Additionally, the modification as proposed by Examiner is concerned with more efficiently determining the potential for failure. However, as detailed above in the discussion of claim 1, claims 23 and 24 take into account the potential consequences of when non-compliance occurs and further limits claim 1 by taking into account the number of agents or employees affected by non-compliance (claim 23) and the total number of policies in force (claim 24) as factors in determining the potential consequences of non-compliance. Therefore, Applicant respectfully submits that even if such modification as proposed by Examiner were obvious, which is not admitted, such modification of Barton would fail to address the deficiencies of Barton as set forth above.

Accordingly, Applicant submits that claims 23 and 24 are allowable based on their dependency on claim 1 , as well as for the further features claims 23 and 24 recite. Withdrawal of the rejection under 35 U.S.C. §103 is requested.

V. CONCLUSION

In view of the foregoing, it is respectfully submitted that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below listed telephone number, in order to expedite resolution of any issues and to expedite passage of the present application to issue, if any comments, questions, or suggestions arise in connection with the present application.

To the extent necessary, a petition for an extension of time under 37 CFR § 1.136 is hereby made.

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Respectfully submitted,

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